

HEAD OF CMS EITHER DOESN'T KNOW DETAILS OR IS MISLEADING SENIORS ABOUT NEW MEDICARE PROGRAM

Wednesday, 13 July 2005

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FOR IMMEDIATE RELEASE

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WASHINGTON

- Today, U.S. Rep. Pete Stark (D-CA, 13th) asked Centers for Medicare and Medicaid Services Administrator Mark McClellan to set the record straight about inaccurate comments the Secretary made at a New Hampshire rally regarding drug plan options in Medicare.

McClellan was asked a question about why the law does not allow the government to negotiate prices with drug companies. He was quoted in a local paper as responding, "If you don't get the best possible prices for the drugs you want, you'll go somewhere else." This statement is false.

"The Administrator is either unaware of the details of this unnecessarily complex bill or he's continuing the Bush Administration's record of favoring propaganda over facts to mislead the public," Stark said. "To tell people that they will be able to switch plans in order to find the best deal is patently wrong."

Stark requested that McClellan write a letter to the editor to the New Hampshire Union Leader, where the quote was published, in order to revise his remarks. The complete letter Stark sent McClellan follows:

Dear Dr. McClellan:

It is my understanding that the Administration has chosen to go on the road to educate and promote participation in the new private drug plans in Medicare. Yesterday, you were in New Hampshire at the Manchester Community Health Center as part of this effort. While I was not at that event, I read an account of it in the New Hampshire Union Leader today.

It is hard to criticize the Administration for trying to educate America's seniors on the complexity of the upcoming drug benefit. It is very confusing and seniors will need all of the help they can get to understand whether they should join the program and if so, which plan will best meet their medication needs.

On the other hand, if the Administration were using this opportunity as yet another propaganda effort to rally enrollment without giving beneficiaries the real facts, it would be very easy – and appropriate – to criticize it. Unfortunately, the report of the New Hampshire event leads me to this latter conclusion.

When you were questioned about why the law does not allow the government to negotiate prices with drug companies, you responded, as quoted in the New Hampshire Union Leader, “If you don’t get the best possible prices for the drugs you want, you’ll go somewhere else.”

That answer is wrong. Once most beneficiaries select a drug plan, they are locked into that plan for a year. They cannot just “go somewhere else” as you stated.

Drug plans, on the other hand, do not face the same restrictions. A plan can decide to change which prescription drugs they cover, prices they charge, etc., at any point in the year. So, while beneficiaries are locked-into the plan, the plan is not required to lock-in their benefits.

Dr. McClellan, you should write a letter to the editor to the New Hampshire Union Leader right away to set the record straight. If this truly is an educational campaign, you should be providing seniors with accurate information so they can make the best choices. Glossing over the one-year lock-in is not a minor oversight. Answers like that heighten our concerns that this tour is more about propaganda than it is about facts.

I urge you to refrain from soft-selling the benefits of this upcoming private drug plan option. America's seniors and people with disabilities need all the facts if they are to make the best choices to meet their individual needs.

I hope you will set the record straight and will be more careful as you continue to promote participation in Medicare private drug plans.

Sincerely

Pete Stark

Member of Congress